

**CONSUMER
PROTECTION
IN
KANSAS**

1999 ANNUAL REPORT

of the

**Consumer Protection
Division**

**Office of Attorney General
Carla J. Stovall**

(Submitted pursuant to K.S.A. 50-628)



State of Kansas Office of the Attorney General

CONSUMER PROTECTION/ANTITRUST DIVISION
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CARLA J. STOVALL
ATTORNEY GENERAL

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April 10, 2000

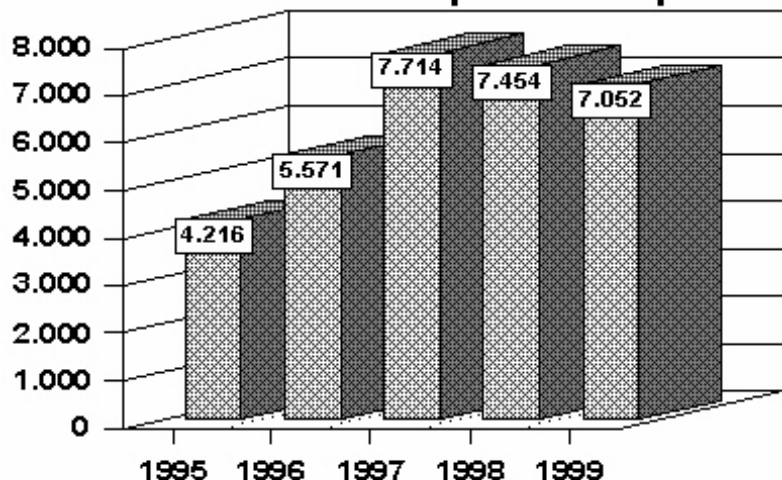
TO: The Honorable Bill Graves, Governor
and Members of the Kansas Legislature

I am pleased to provide to you the report of the Consumer Protection Division of the Office of Attorney General. In 1999, the Consumer Protection Division received and investigated 7,052 written complaints and 2,361 inquiries, resulting in consumer savings of more than **\$3,700,000**. Our enforcement efforts in 1999, in addition to obtaining judgments and settlements for civil penalties and investigative fees, also obtained invaluable injunctive orders against businesses found in violation of the Kansas Consumer Protection Act (KCPA).

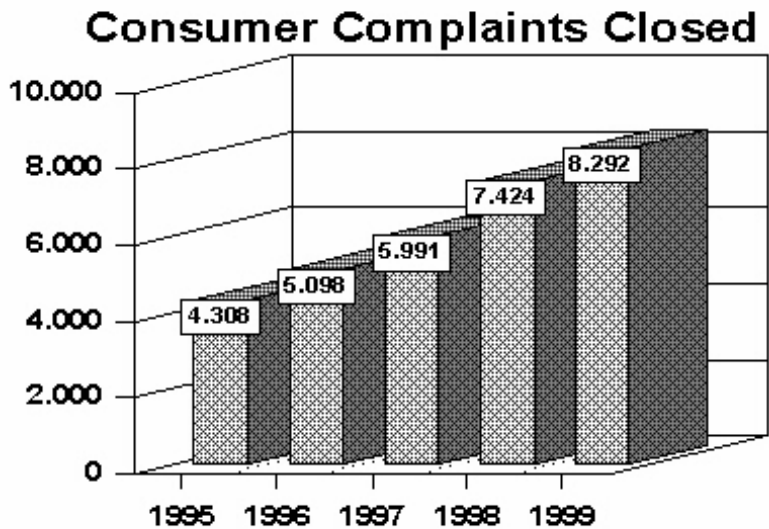
We filed six consumer protection lawsuits in 1999 against pharmacies, physicians, and website operators for illegal and dangerous online drug sales. The deceptive and unconscionable practices of these defendants put Kansans at risk of serious bodily injury and death by illegally prescribing and dispensing prescription drugs. The drugs sent into Kansas included controlled substances sold to a minor without parental consent. I am proud that Kansas was the first state to file consumer protection actions to put a stop to this dangerous practice, and we continue to work with other states and the federal government to address this problem.

The first chart to the right illustrates the increase in written complaints received by my Consumer Protection Division since 1995, the beginning of my Administration. The dramatic increase in consumer complaints which occurred from 1995 to 1997 has leveled off and actually decreased slightly to 7,052 in 1999, but is still 67.26 percent higher than the 4,216 complaints received in 1995.

Consumer Complaints Opened



The second chart to the right illustrates the efforts and additional resources we have committed to address the increase in consumer complaints from 1995 through 1999. In 1999, we closed 8,292 complaint files, nearly double the number closed in 1995. The steady and significant increase in files closed over the past four years was made possible by additional staff, paid for with funds recovered from violators of the KCPA. I am very pleased we were able to use these additional resources to meet and serve the needs of the people of the State of Kansas.



Members of my Consumer Protection

Division continue to travel throughout Kansas to give educational presentations on consumer issues to schools, civic groups, community organizations and industry associations. In 1999, we made 91 of these educational presentations. Approximately 4,928 consumers and business persons attended these presentations, not counting the hundreds of people who visited our Consumer Protection booth at the Kansas State Fair. In conjunction with our educational efforts, we continue to publish and distribute brochures on a wide variety of consumer topics. We also maintain a Consumer Protection website to provide online assistance to consumers. As a result of these educational efforts, I believe more consumers are less likely to fall victim to unscrupulous business practices and more businesses have been made aware of the requirements of the KCPA so they can avoid unintentionally violating the Act.

In addition to the above, we participate in consumer protection efforts on a national level through active cooperation with the National Association of Attorneys General (NAAG) and the National Association of Consumer Protection Investigators. Such cooperation is particularly beneficial in combating deceptive and unconscionable business practices by out-of-state businesses. In 1999, we recovered more than one million dollars in penalties and fees as a direct result of NAAG multi-state working group enforcement efforts.

It is a top priority of my office to protect Kansas consumers from deceptive and unconscionable business practices through a combination of firm, yet fair, enforcement of consumer laws and effective consumer education efforts. I continue to propose legislation to strengthen the KCPA in order to better protect our citizens and to more effectively penalize those who prey on consumers.

If my staff or I may be of service to you or your constituents, or if we can answer any questions regarding consumer protection in Kansas, please feel free to contact me.

Very truly yours,

Carla J. Stovall
Attorney General

**OFFICE OF THE ATTORNEY GENERAL
STATE OF KANSAS**

**CARLA J. STOVALL
ATTORNEY GENERAL**

1999 CONSUMER PROTECTION/ANTITRUST STAFF

C. Steven Rarrick	Deputy Attorney General
Kristy L. Hiebert	Assistant Attorney General
James J. Welch	Assistant Attorney General
Gail E. Bright	Assistant Attorney General
Frances R. Brunner	Assistant Attorney General
Rex G. Beasley	Assistant Attorney General
Terry D. Hamblin	Assistant Attorney General
* Terry A. Iles	Assistant Attorney General
* Kelli J. Benintendi	Assistant Attorney General
* Derek L. Schmidt	Assistant Attorney General
Teresa A. Salts	Special Agent Supervisor
Carole A. Walton	Special Agent
Amy E. Elliott	Special Agent
Michele R. Welch	Special Agent
Lori E. Denk	Special Agent
Joseph E. Trawicki	Special Agent
Tiffanie A. Frisby	Special Agent
Angelia J. Crawford	Special Agent
J. Michael Enzbrenner	Special Agent
Donna Wells	Secretary
Linda Gifford	Secretary
Judy Jenkins	Secretary
Doris Scott	Secretary-Parttime
David Blalock	Law Clerk
* Kristi Simmons	Law Clerk
* William P. Nacy	Law Clerk

* Served a portion of 1999. No longer with the Consumer Protection Division.

CATEGORIES OF NEW COMPLAINTS

Complaints Filed:	7052
Complaints Closed:	8292
Written Inquiries:	2361
Total Annual Savings:	\$3,774,492

<u>Category</u>	<u>Complaints Received</u>	<u>Percent of Total</u>
Advertising (general)	133	1.89%
Antitrust	14	0.20%
Appliances	41	0.58%
Assistive Device Lemon Law	5	0.07%
Auto	998	14.15%
Boats, Boating Equipment, Repairs, etc.	12	0.17%
Book, Record & Tape Clubs	29	0.41%
Business Opportunity Services	61	0.87%
Cable Television	22	0.31%
Campgrounds	7	0.10%
Cemeteries	19	0.27%
Charitable Organizations	76	1.08%
Clothing	20	0.28%
Collectibles/Antiques	14	0.20%
Collection	215	3.05%
Computer - Internet Gambling	65	0.92%
Computer - Internet Sales	101	1.43%
Computer Online Services	115	1.63%
Computers	139	1.97%
Contests/Sweepstakes	379	5.37%
Credit	541	7.67%
Credit Reporting Agencies	60	0.85%
Discount Buying Clubs	53	0.75%
Door-To-Door Sales	77	1.09%
Education	7	0.10%
Employment Services	6	0.09%
Energy Savings Devices	0	0.00%
Failure to Furnish Merchandise (other than mail order)	5	0.07%
Farm Implements/Equipment	21	0.30%
Faxes Unsolicited	14	0.20%
Fire, Heat & Smoke Alarms	1	0.01%
Floor Coverings (carpet, etc.)	26	0.37%

<u>Category</u>	Complaints Received	Percent of Total
Food Products	22	0.31%
Funeral Homes and Plans	5	0.07%
Furniture	67	0.95%
Gasohol & Stills	0	0.00%
Gasoline Pricing and Contents	9	0.13%
Health Services (doctors, dentists, hospitals, etc.)	129	1.83%
Health Spas & Weight Salons	42	0.60%
Hearing Aids	13	0.18%
Heating & Air Conditioning	24	0.34%
Home Construction	18	0.26%
Home Improvement	215	3.05%
Invoice & Billing Schemes (noncredit code)	21	0.30%
Jewelry	15	0.21%
Land Resale Companies	0	0.00%
Loan Finders	47	0.67%
Magazine Subscriptions	126	1.79%
Mail Order	352	4.99%
Miscellaneous	0	0.00%
Medical Equipment/Devices	5	0.07%
Mobile Home Parks	1	0.01%
Mobile Homes & Manufactured Homes	47	0.67%
Mortgage Escrow Problems	2	0.03%
Mortgages	91	1.29%
Motorcycles & Bicycles	12	0.17%
Moving & Storage	35	0.50%
Multi-level & Pyramid Distributorship Co.	82	1.16%
Musical Instruments, Lessons, etc.	1	0.01%
Negative Selection	5	0.07%
Nurseries, Lawn, Gardening and Landscape Service & Supplies	18	0.26%
Nursing Homes	5	0.07%
Office Equipment & Supplies	9	0.13%
Pest Control	21	0.30%
Pets/Animals	10	0.14%
Photo Studios, Equipment & Services	18	0.26%
Real Estate (houses)	31	0.44%
Real Estate (other than houses)	7	0.10%
Rebates	34	0.48%
Recovery Companies	0	0.00%
Referral Selling	0	0.00%

<u>Category</u>	Complaints Received	Percent of Total
Satellite Systems	71	1.01%
Scanning Equipment	37	0.52%
Securities & Investments (other than stocks & bonds)	28	0.40%
Security Systems and Services	46	0.65%
Services (general)	350	4.96%
Services (professional)	13	0.18%
Sewing Machines	5	0.07%
Sporting Goods	15	0.21%
Steel Buildings	2	0.03%
Stereo Equipment	11	0.16%
Telephone - 800#s, 900#s and International Calls	78	1.11%
Telephone - Cellular Phones and Pager Services	111	1.57%
Telephone - Cramming	59	0.84%
Telephone - Slamming	415	5.88%
Telephone Service and Long Distance Carriers	381	5.40%
Telephone Solicitations	152	2.16%
Televisions and VCR's	14	0.20%
Timeshare Sales	13	0.18%
Tobacco Sales	0	0.00%
Toys	5	0.07%
Trade & Correspondence Schools	26	0.37%
Travel	160	2.27%
Unauthorized Practice of Law	13	0.18%
Vending Machines	12	0.17%
Warranty Problems (other than automobiles)	105	1.49%
Water Softeners, Conditions, Purifiers, etc.	26	0.37%
Work-at-Home Schemes	89	1.26%
TOTAL CASES OPENED	7052	100.00%

1999 DISPOSITION OF CLOSED COMPLAINTS

	Complaints	Percent of
	Closed	Total
Inquiry or Information Only	508	6.13%
Referred to Private Attorney	372	4.49%
Referred to County/District Attorney	22	0.27%
Referred to Other Attorney General	228	2.75%
Referred to Other Kansas Agency	63	0.76%
Referred to Small Claims Court	117	1.41%
Referred to Federal Agency (FTC, Post Office, etc.)	399	4.81%
Money Refunded/Contract Cancelled	3391	40.89%
Merchandise Delivered to Consumer	128	1.54%
Repaired/Replaced Product	198	2.39%
Mediation Only - No Savings	645	7.78%
No Reply from Complainant	606	7.31%
Unable to Locate Respondent	145	1.75%
Practice Complained of Discontinued	113	1.36%
Respondent Out of Business	80	0.96%
No Basis for Complaint	203	2.45%
Insufficient Evidence to Prove Violation	117	1.41%
Complaint Withdrawn	92	1.11%
Unable to Satisfy Complainant - No Further Action	52	0.63%
Other	101	1.22%
No Jurisdiction under KCPA	534	6.44%
No Jurisdiction - Supplier Declined Mediation	0	0.00%
No Jurisdiction - Consumer Declined Mediation	1	0.01%
No Jurisdiction - Consumer and Supplier Decline Mediation	2	0.02%
Lawsuit Complaint Files		
Respondent Enjoined	19	0.23%
Respondent Enjoined/Violations Found	18	0.22%
Consent Judgment	102	1.23%
Voluntary Compliance Agreement	20	0.24%
Default Judgment	14	0.17%
Defendant Filed Bankruptcy	0	0.00%
Dismissed	2	0.02%
TOTAL CASES CLOSED	8292	100.00%

SUMMARY OF 1999 ENFORCEMENT ACTION

ONLINE PHARMACY SALES

STATE ex rel. and KANSAS BOARD OF PHARMACY v. ROY C. ALIVIO, BO PLATT, MALE CLINIC, L.L.C., DAVID HAIRHOGER, d/b/a COMMUNITY DRUG OF PITTSBURGH, MILES JONES, M.D., and RICK WILLIAMS, M.D.

STATE ex rel. and KANSAS BOARD OF PHARMACY v. CONFINED.COM, L.L.C., d/b/a Vsource and confined.com, and H. LEVINE, M.D.

STATE ex rel. and KANSAS BOARD OF PHARMACY v. DVM ENTERPRISES, INC., d/b/a CYBRXPRESS, JOHN S. STIVERSON, a/k/a SCOTT STIVERSON, d/b/a STIVERCORP and d/b/a ONLINE PHYSICIANS, DANIEL THOMPSON, M.D., and HOME PRESCRIPTION SERVICES, INC.

STATE ex rel. and KANSAS BOARD OF PHARMACY v. FOCUS MEDICAL GROUP, INC., d/b/a focus-medical.com, SENIOR CARE PHARMACY, INC., formerly LTC PHARMACY, INC., and KIAU KAEUH, M.D.

STATE ex rel. v. VIAPRO, INC., d/b/a VIAPRO, and WILLIAM CLEMANS, M.D.

The Attorney General, along with the Kansas Board of Pharmacy, filed five lawsuits against several physicians, pharmacies, and web-site operators on June 9, 1999. The lawsuits allege that the Defendants' actions in advertising, selling, prescribing and dispensing prescription-only medications were deceptive and unconscionable, violating the Kansas Consumer Protection Act (KCPA). These lawsuits were the result of investigations involving the sale of Viagra to a 16-year-old boy by one set of Defendants, and the sale of the controlled substance Meridia by another group of Defendants to the same boy. Special agents in the Attorney General's Office were also sold prescription drugs and controlled substances. All persons making purchases from the Defendants on behalf of the Attorney General's Office were truthful about their age and gender. Neither the minor nor the special agents involved in the investigations had valid prescriptions from their physicians. They filled out online applications and were charged as much as \$85 for a "physician consultation." No consultations actually occurred. The drugs purchased in the investigations are prohibited by law from being dispensed without a prescription. Additionally, purchasers of the drugs were required to accept an online waiver of many of their legal rights against the physicians, pharmacists, and web-site operators. Most of the drugs purchased have potentially fatal complications and side effects, yet the only instruction given in most sales regarding the proper administration, potential dangers, side effects, and contraindications of the drugs were pamphlets sent with the drugs. The State of Kansas has been granted default judgment in one case, has settled with one Defendant, and the remainder of the cases are in the discovery stage.

STATE ex rel. v. AMERICAN AUTO CONSULTANTS, INC., and JOHN WILLIAM PATTERSON

On November 18, 1999, the Attorney General entered into a Consent Judgment with this corporation and its owner, John William Patterson, for deceptive acts and practices relating to the business opportunity marketed by the Defendants. The Defendants agreed to be enjoined from future violations and pay \$3,624 in consumer restitution, \$3,750 in civil penalties, and \$3,750 in investigative fees.

STATE ex rel. v. AMERICAN BUSINESS ALLIANCE, INC.

American Business Alliance (ABA) entered into a Consent Judgment on March 16, 1999, to resolve alleged violations of the KCPA relative to the switching of Kansas consumers' long distance services without their authority or consent. ABA "slammed" consumers through its telemarketing efforts which deceptively implied that the consumers were remaining with AT&T as their long distance company. The Defendant agreed to comply with Federal Communications Commission (FCC) procedures for verifying telemarketing orders for switching service and to send a confirmation letter to the consumer within three days of the consumer's request for ABA's service. The Defendant also agreed to affirmatively state in its telemarketing calls that the purpose of the call is to solicit the switch of the consumer's long distance service. ABA paid \$50,000 in civil penalties and investigative fees/expenses to the Office of the Attorney General and provided restitution to consumers.

STATE ex rel. v. JEFF BAILEY, d/b/a EAGLE PROMOTIONS

The Attorney General entered into a Consent Judgment with this advertising agency based in Rockford, Michigan, on March 26, 1999, for violations of the prize notification portion of the KCPA in a promotion performed on behalf of a Topeka business (after assuring the business that its promotion was in compliance with all applicable Kansas laws). In the Consent Judgment, the Defendant agreed to be enjoined from future violations, and pay \$1,250 in civil penalties and \$1,250 in investigative fees.

In the Matter of BANK OF AMERICA

Bank of America, a national association based in San Francisco, California, entered into an Assurance of Voluntary Compliance in February 1999, for violations of the KCPA. Specifically, the Defendant violated several provisions of the telephone solicitation portion of the KCPA during unsolicited consumer telemarketing calls. In the Assurance, the respondent agreed to refrain from future violations, and pay \$50,000 in civil penalties and investigative fees.

***STATE ex rel. v. CHARLES BARONE,
d/b/a FIRST CAPITAL CONSUMER MEMBERSHIP SERVICES***

Charles Barone, d/b/a First Capital Membership Services, a credit card protection company based in Buffalo, New York, entered into a Consent Judgment on May 11, 1999, for violations of several provisions of the telephone solicitation portion of the KCPA and for failing to disclose to consumers the limitations upon liability for fraudulently-used credit cards afforded by federal law. In the Consent Judgment, the Defendant agreed to be enjoined from future violations, and pay \$2,500 in civil penalties and \$2,500 in investigative fees.

***STATE ex rel. v. ELLIOT M. BRIGGS, individually,
and d/b/a UNIVERSAL STAR GROUP***

On August 8, 1999, the Attorney General entered into a Consent Judgment with this Texas Defendant for operating an illegal referral sales scheme and a pyramid scheme. The Defendant agreed to be enjoined from future violations, and pay \$300 in civil penalties and \$300 in investigative fees. There were no consumer damages requiring the payment of restitution.

***In the Matter of CAREER CONSULTANTS d/b/a BERNARD HALDANE
ASSOCIATES, DRB, L.T.D. d/b/a BERNARD HALDANE ASSOCIATES***

The Attorney General entered into an Assurance of Voluntary Compliance with the Defendants on May 20, 1999, for providing deceptive career consulting services. The Defendants agreed to refrain from future violations, and pay restitution to consumers and \$40,000 in civil penalties and investigative

fees/expenses.

***STATE ex rel. v. CGS WORLDWIDE, INC.,
d/b/a CHECK GUARANTEE SERVICES***

CGS Worldwide, Inc., d/b/a Check Guarantee Services, an Arlington, Texas, company engaged in the collection of non-sufficient funds checks on behalf of small businesses, entered into a Consent Judgment on August 31, 1999, for violations of the KCPA. Specifically, the Defendant violated the door-to-door sales portion of the KCPA and failed to disclose material information to the small businesses which purchased its services. In the Consent Judgment, the Defendant agreed to be enjoined from future violations and pay \$2,058 in restitution to consumers, \$3,500 in civil penalties, and \$3,500 in investigative fees.

***STATE ex rel. v. DAVID COURSEN & DEREK COURSEN, d/b/a
SADA FINANCIAL CONSULTING AGENCY and d/b/a SADA INVESTMENT***

The Attorney General filed a lawsuit on March 9, 1999, against David Coursen and Derek Coursen, d/b/a SADA Financial Consulting Agency d/b/a SADA Investments, a St. Joseph, Missouri-based debt-consolidation business, for violations of the credit services organizations portion of the KCPA. On May 11, 1999, the Court entered an Order of Default Judgment, wherein the Defendants were enjoined from future violations and ordered to pay \$6,100 in restitution to consumers, \$420,000 in civil penalties, and \$5,000 in investigative fees.

***STATE ex rel. v. DONALD "DON" DEMUTH, individually,
and d/b/a/ CROWN EXTERMINATING
CROWN EXTERMINATING II, and CROWN EXTERMINATION,
and REGINA P. DEMUTH, individually,
and d/b/a CROWN EXTERMINATING***

The Attorney General filed suit against these Defendants on March 25, 1999. The individual Defendant Donald "Don" DeMuth has a long history of operating pest control businesses without being properly licensed. On November 3, 1999, the Defendants entered into a Consent Judgment permanently enjoining the individual Defendants from participating in any pest control operation of any kind. Defendant Donald "Don" DeMuth specifically admitted his unlawful acts in the Consent Judgment. In addition, the Defendants agreed to be enjoined from future violations and pay consumer restitution in the amount of \$696, civil penalties in the amount of \$651, and investigative fees/expenses in the amount of \$651.

STATE ex rel. v. DIRECT AMERICAN MARKETERS, INC.

The Attorney General entered into a Consent Judgment with this Defendant on January 14, 1999. The Defendant mailed postcards indicating consumers were eligible for a prize. However, when consumers called the company's 900 number to claim the prize, they would incur an average phone charge of \$30 even though the prize was only \$1. Our office participated with a multistate group negotiating with the company after it filed bankruptcy. The Defendant agreed to be enjoined from future violations, and pay \$5,000 in civil penalties and \$5,000 in investigative fees/expenses.

***STATE ex rel. v. JOE T. ELZEA, DENNIS HOWSER, JOHN JOSEPH ZUPAN,
ANTHONY FRITH BROOKS, DAVID ALLEN BERARD, TERRY LEE JOHNSON,
GEORGE R. DOSSET and JOSEPH CARRICO,
d/b/a ELZEA ASPHALT & TREE SERVICE***

The Attorney General entered into a Consent Judgment with these Defendants on December 3, 1999, for violations of the KCPA stemming from their solicitations and sales of tree trimming/removal and asphalt paving services. During such solicitations and sales, the Defendants failed to comply with the door-to-door sales requirements and misrepresented the quality, suggested retail price, and value of such services. In the Consent Judgment, the Defendants agreed to be enjoined from future violations and pay \$45,359 in restitution to consumers, \$2,500 in civil penalties, and \$2,500 in investigative fees/expenses.

***STATE ex rel. v. EMILY WATER & BEVERAGE CO., INC.,
and ROBERT FERRARA, Individually***

The Attorney General filed suit against these Defendants on August 16, 1999. The individual Defendant, Robert Ferrara, has a long history of selling business opportunities in violation of the FTC Franchise Rule. He was convicted on federal fraud charges related to a business opportunity scheme in the 1970s and permanently enjoined from violating the FTC Franchise Rule in the 1980s. Our complaint alleged deceptive and unconscionable acts in the manner in which the Defendants sold a bottled water distributing franchise to a Kansas consumer. The Defendants have ignored repeated efforts to settle this case and a Court trial is scheduled for May 15-16, 2000.

***STATE ex rel. v. ABOLFAZI FAKHARI, Individually,
d/b/a BEST BUY IMPORTS AUTO SALES,
and ASGEAR JAVADI, Individually,
d/b/a BEST BUY IMPORTS AUTO SALES***

The Attorney General filed a lawsuit on October 21, 1999, against this Missouri-based automobile dealership for violations of the KCPA. The dealership failed to disclose that it was a dealership, limited the implied warranty by selling the vehicle "as is - no warranty," and failed to provide a three-day right to cancel for selling the vehicle away from the ordinary place of business. The lawsuit is pending.

***STATE ex rel. v. EDWARD JOSEPH FINK, JR.,
d/b/a E & D SYSTEMS, d/b/a TRI-STAR***

The Attorney General filed a lawsuit against this vacuum cleaner sales company based in Olathe, Kansas, for violating the prize notification statute, the door-to-door sales requirements, and the telephone solicitation provisions of the KCPA. Although the Defendant filed bankruptcy, the Attorney General took Default Judgment on April 22, 1999, enjoining the Defendant from doing further business within the State of Kansas.

**STATE ex rel. v. FIRST CAPITAL FINANCE and
CONTINENTAL CONSUMER CREDIT CORPORATION,
d/b/a CONTINENTAL ADVANTAGE**

The Attorney General entered into a Consent Judgment with this telemarketing company based in Hollywood, Florida, on June 17, 1999, for violating several provisions of the Credit Services Organizations Act and the telephone solicitation portions of the KCPA, and failing to disclose material information about "charge cards" for which consumers were solicited. In the Consent Judgment, the Defendants agreed to be enjoined from future violations and pay \$16,254 in consumer damages, \$5,000 in civil penalties, and \$5,000 in investigative fees.

**STATE ex rel. v. FURTHERANCE INTERNATIONAL, INC.,
d/b/a PREMIER CARD SERVICES**

The Attorney General entered into a Consent Judgment with this credit card protection company based in Phoenix, Arizona, on January 26, 1999, for violating several provisions of the telephone solicitation portion of the KCPA and failing to disclose to consumers the limitations on liability for fraudulently-used credit cards afforded by federal law. In the Consent Judgment, the Defendant agreed to be enjoined from future violations, pay \$20,000 in civil penalties and \$20,000 in investigative fees, and refund any Kansas consumers who request a refund.

STATE ex rel. v. FUTURE VISION, INC.

The Attorney General entered into a Consent Judgment on February 2, 1999, with this company for making misrepresentations regarding the total price of satellite systems and installation costs. The Defendant agreed to be enjoined from future violations and pay \$1,906 in consumer damages, \$1,546 in civil penalties and \$1,546 in investigative fees.

STATE ex rel. v. ARIC GENTRY and JERRY DOVE II, d/b/a BEANMANIA

The Attorney General filed a lawsuit on July 1, 1999, against these Defendants for offering for sale and accepting payment for beanie babies on the Internet when the Defendants did not intend to provide the beanie babies. The Defendants entered into a Consent Judgment on September 1, 1999, and agreed to be enjoined from future violations and pay restitution to all consumers, \$500 in civil penalties, and \$500 in investigative fees.

STATE ex rel. v. LARRY GOERTZEN d/b/a MID-AMERICAN LIQUIDATORS

The Attorney General entered into a Consent Judgment with Larry Goertzen d/b/a Mid-America Liquidators on June 3, 1999. Mr. Goertzen advertised that he was liquidating an Oklahoma furniture store, when, in fact, he was buying new furniture in Arkansas to sell in Dodge City, Kansas. In the Consent Judgment, the Defendant was enjoined from future violations and ordered to pay \$2,500 in civil penalties and \$2,500 in investigative fees/expenses.

**STATE ex rel. v. PAUL HANEY and LUELLA M. HOLLAND,
d/b/a CONCERNED PEOPLE OF AMERICA and d/b/a C. P. A.**

The Attorney General filed a lawsuit against this multi-level marketing company based in Spencer, New York, for misrepresenting the earnings capacity for independent representatives and failing to comply with the referral sales statute and door-to-door sales requirements of the KCPA. On February 1, 1999, the Attorney General took Default Judgment for \$695 in refunds to five consumers, \$100,000 in civil penalties, and \$5,000 in investigative fees.

***STATE ex rel. v. HECHINGER INVESTMENT COMPANY
d/b/a BUILDERS SQUARE and HOME QUARTERS***

The Attorney General and the Sedgwick County District Attorney's Office, in a joint investigation and enforcement action, entered into a Consent Judgment with this Defendant on April 6, 1999, to address multiple electronic scanning violations during an eight-month period. In the Consent Judgment, the Defendant agreed to be enjoined from future violations, and pay \$25,000 in civil penalties and \$15,000 in investigative fees/expenses.

STATE ex rel. v. LARRY R. HENSLEY, d/b/a CASH FREE GRANTS

The Attorney General filed a lawsuit on December 14, 1999, against this individual, based in Lorain, Ohio, who was promising consumers cash-free grants which did not need to be repaid. The Defendant failed to comply with any requirements of the credit services organizations portion of the KCPA. The lawsuit is pending.

STATE ex rel. v. EARL HOLMES, d/b/a HOLMES BROTHERS CONSTRUCTION

The Attorney General entered into a Consent Judgment with this Defendant on March 9, 1999, for violations of the KCPA stemming from his solicitations and sales of asphalt paving services. During such solicitations and sales, the Defendant failed to comply with the door-to-door sales requirements and misrepresented the quality, suggested retail price, and value of such services. In the Consent Judgment, the Defendant agreed to be enjoined from future violations and to fully reimburse the Kansas consumer in the amount of \$5,500.

***STATE ex rel. v. HOME CABLE INCORPORATED
d/b/a HOME CABLE CONCEPTS***

The Attorney General filed a lawsuit against this unauthorized foreign corporation in Shawnee County District Court on May 14, 1997, for deceptive and unconscionable acts and practices relating to its sale of home satellite systems. The Attorney General alleged the Defendant, through its sales representatives, made numerous misrepresentations during the sales presentations. In addition, the Defendant violated the three-day right-to-cancel provisions and telephone solicitation provisions of the KCPA. This case was settled in December 1999, when the Defendant entered into a Consent Judgment and agreed to be enjoined from future violations, cancel consumer finance contracts, and pay \$17,471 in consumer restitution, \$7,500 in civil penalties, and \$7,500 in investigative fees/expenses.

STATE ex rel. v. INLAND MEATS, INC.

The Attorney General entered into a Consent Judgment with this meat distributor based in Spokane, Washington, on October 21, 1999, for mislabeling of product in violation of the Kansas food advertising and sales practices portion of the KCPA. In the Consent Judgment, the Defendant agreed to be enjoined from future violations, and pay \$2,500 in civil penalties and \$2,500 in investigative fees.

***STATE ex rel. v. THE INTERNET YELLOW PAGES, INC.,
and MICHELE ERARD-COUBE, Individually***

The Attorney General filed suit against these Defendants on July 19, 1999, for telemarketing fraud, deception and failure to comply with a subpoena. The Defendants have been properly served and are in default. Settlement negotiations are pending.

***STATE ex rel. v. EDWARD F. JACOBS, d/b/a COLLEGE FUNDING GROUP,
ALAN E. BARON, d/b/a THE COLLEGE ADVANTAGE, INC.,
d/b/a COLLEGE FUNDING CENTER***

The Attorney General entered into a Consent Judgment with this scholarship-finding network based in both Buena Vista, Colorado, and Plano, Texas, on August 12, 1999, for violations of the KCPA. Specifically, the Defendants violated several provisions of the credit services organizations portion of the KCPA in offering scholarships and student loans to students. In the Consent Judgment, the Defendants agreed to be enjoined from future violations and pay \$3,288 in consumer damages, \$2,500 in civil penalties, and \$2,500 in investigative fees.

***In the Matter of KANSAS FURNITURE MART, INC.,
and ROBERT GERALD GOODALL***

On September 1, 1999, the Attorney General entered into an Assurance of Voluntary Compliance with this corporation and its president for running a going-out-of-business sale without going out of business. The Defendant agreed to refrain from future violations, and pay \$2,500 in civil penalties and \$2,500 in investigative fees.

***STATE ex rel. v. EVERETT GILBERT KNAPP III
d/b/a Knapp & Associates***

On September 23, 1999, the Attorney General entered into a Consent Judgment with this Defendant for deceptive practices relating to his retention of craft products obtained from consumers. The Defendant agreed to be enjoined from future violations and pay \$675 in consumer restitution, \$750 in civil penalties, and \$750 in investigative fees.

In the Matter of KNOLL PHARMACEUTICAL COMPANY and BASF CORPORATION

As part of a multistate investigation and enforcement action, the Attorney General entered into an Assurance of Voluntary Compliance with this company on July 21, 1999, for deceptive marketing practices relating to the prescription drug Synthroid. The Defendant promoted and continued to market Synthroid as unique and superior to generic forms of the drug even after its own Drug Study concluded it was not unique and superior to the generic products. In addition, the Defendant concealed the findings of the Drug Study from government decision makers. In the Assurance of Voluntary Compliance, the Defendant agreed to refrain from future violations and pay \$41,800,000 to the states, including \$416,943 in civil penalties and \$416,943 in investigative fees to the State of Kansas.

***STATE ex rel. and KANSAS BOARD OF PHARMACY v. LIFESTYLE
USA, Inc., (formerly PERFORMANCE DRUGS, Inc.,) d/b/a
PERFORMANCE DRUGS, and LIFESTYLE USA***

The Attorney General, along with the Kansas Board of Pharmacy, filed a lawsuit against this Washington company on February 24, 1999, for the deceptive and unconscionable advertising, sale, prescribing, and dispensing of prescription-only medications over the Internet to Kansans. This lawsuit was the result of an investigation involving the Defendant's sale of Viagra and Propecia to a special agent of the Attorney General's Office. Viagra is a drug used to treat erectile dysfunction and it has potentially fatal complications and side effects. The hair loss drug Propecia can cause serious birth defects if even handled by a pregnant woman, and, therefore, requires careful patient consultation. Although these drugs require a valid prescription, the special agent had no prescription from his physician, but was charged \$75 for an "online physician consultation" with a physician not licensed in Kansas. No physician actually conferred with the special agent. Further, the Defendants did not advise

the special agent of the proper administration, potential dangers, side effects, and contraindications of the drugs. The case is in the discovery stage.

***STATE ex rel. v. MAIL GROUP ASSOCIATES, INC.,
d/b/a UNCLAIMED ASSETS, et al.***

The Attorney General filed a lawsuit against this New York corporation in March 1998 as a result of its mail order solicitations in violation of the KCPA. This company solicited consumers with a postcard which informed them that they may have had \$50 to \$3,500 in unclaimed property with the State of Kansas, with no basis for making such representations. Consumers sent \$10 to the company, but only received a list of addresses for unclaimed property divisions in the 50 states for their money. In October 1999, a Consent Judgment was entered into with Smart Marketing, Inc., a successor corporation, in which \$2,500 was paid in civil penalties and investigative fees/expenses. The remaining Defendant, Mail Group Associates, Inc., has gone out of business and the principals have disappeared.

***STATE ex rel. v. DAN MARTINEZ
d/b/a INSURANCE CLAIMS CONSULTANTS, INC.***

The Attorney General filed a lawsuit against a Wichita individual, Dan Martinez d/b/a Insurance Claims Consultants, Inc., on January 3, 1997, alleging the unauthorized practice of law and deceptive and unconscionable business practices. The Defendant had no legal training and was not licensed to practice law, but provided legal advice to individuals in the areas of workers' compensation, personal injury, and bankruptcy. The Defendant admitted providing advice and writing demand letters for more than 200 clients. A jury trial was conducted in September 1997 and the jury returned a verdict for the State on two of four counts of violations of the deceptive acts and practices section of the KCPA. In December 1997, the Court returned a verdict for the State on the remaining issues of the unauthorized practice of law and unconscionable acts and practices. As part of the verdict, the Court found the Defendant to be practicing law without a license, enjoined the Defendant from that activity in the future, and assessed civil penalties in the amount of \$115,500. The Defendant appealed, the case was argued before the Court of Appeals on December 11, 1999, and a decision is pending.

In the Matter of MCI WORLDWIDE COMMUNICATIONS, INC.

MCI entered into an Assurance of Voluntary Compliance on November 10, 1999, to resolve alleged violations of the KCPA relative to the billing of its "National Access Fee." Kansas was part of a multistate group investigating this issue. The Attorney General alleged, among other things, that MCI misrepresented that the fee was imposed by the Federal Communications Commission (FCC) as a tax and MCI placed it in the "taxes" section of some consumers' phone bills. Actually, MCI is required to pay local phone companies for the use of their telephone lines for long distance access and the access fee is a charge that it ~~may~~ pass on to its customers. It is not a tax, and the FCC does not require MCI to collect it from its customers. MCI agreed to cease the misrepresentations and placement of the fee in the "taxes" section of consumers' phone bills. MCI paid \$55,000 to the Office of the Attorney General for civil penalties and investigative fees/expenses.

STATE ex rel. v. DWIGHT MILLER

The Defendant was an accountant who had his Certified Public Accountant license revoked by the Kansas Board of Accountancy. In a joint action with the Board of Accountancy, the Defendant was found to have violated the KCPA when he sent a letter to clients advising them he had chosen not to pursue renewal of his license when, in truth, it had been revoked by the Board. After a trial in Johnson County, judgment was entered against the Defendant on January 27, 1999, for KCPA violations, and a penalty of \$2,610 was assessed.

STATE ex rel. v. MONTGOMERY WARD & CO., INC.

The Attorney General's Office engaged in a joint effort with the Sedgwick County District Attorney's Office in regard to multiple electronic scanning violations during a ten-month period by the Defendant. A Consent Judgment was entered into on April 29, 1999, and the Defendant agreed to be enjoined from future violations, and pay \$150,000 in civil penalties and \$75,000 in investigative fees/expenses.

***STATE ex rel. v. DARREN MORHAIM,
d/b/a TDM CREDIT CORPORATION, INC.***

The Attorney General entered into a Consent Judgment with this debt-consolidation company based in Pikesville, Maryland, on May 21, 1999, for violations of the credit services organizations portion of the KCPA. In the Consent Judgment, the Defendant agreed to be enjoined from future violations and pay \$4,284 in restitution to consumers, \$2,500 in civil penalties, and \$2,500 in investigative fees.

***STATE ex rel. v. NATIONAL TRAVEL SERVICES, INC.,
PLAZA RESORTS, INC., both d/b/a Ramada Plaza Resorts,
DANIEL LAMBERT, individually, and JAMES VERILLO, individually***

The Attorney General filed a lawsuit against these Defendants on July 13, 1999, for deceptive and unconscionable acts and practices for the manner in which these Defendants marketed and sold travel services. This action is part of a 17-state multistate group effort through the National Association of Attorneys General (NAAG). On January 14, 2000, a Consent Judgment was reached in which the Defendants agreed to be enjoined from future violations and, once approved by the Court and filed, will open a 60-day window during which consumers who complain will receive a full or partial refund. Each state in the NAAG group will receive \$35,000 in civil penalties and investigative fees/expenses.

***STATE ex rel. v. DENNIS L. NELSON,
d/b/a GREAT AMERICAN STEAK COMPANY***

The Attorney General entered into a Consent Judgment with this Oklahoma City, Oklahoma-based company on January 26, 1999, for violations of the food advertising and sales practices, and door-to-door sales portions of the KCPA. Specifically, the company failed to comply with the door-to-door sales requirements, failed to disclose price per pound, and misrepresented the weight and usual price of meat. In the Consent Judgment, the company agreed to refrain from further violations, and pay \$5,000 in civil penalties and \$5,000 in investigative fees.

STATE ex rel. v. NWLAD CO. d/b/a VALUE VISION, et al.

The Attorney General filed a lawsuit against this Kansas corporation in Shawnee County District Court on May 14, 1997, for deceptive and unconscionable acts and practices relating to the sale of home satellite systems. The Attorney General alleged the Defendant, through its sales representatives, made numerous misrepresentations during sales presentations. In addition, the Defendant violated the three-day right-to-cancel provisions of the KCPA. The lawsuit is pending.

STATE ex rel. v. TOM OCCHIUTO d/b/a CIRCLE OF SERVICE

The Attorney General filed a lawsuit on January 26, 1999, against this scholarship-finding network based in Colorado Springs, Colorado, for violating several provisions of the credit services organizations portion of the KCPA in offering scholarships and student loans to students. The Court granted Default Judgment on March 17, 1999, enjoining the Defendant from future violations and ordering the Defendant to pay \$44,903 in restitution to consumers, \$2,700,000 in civil penalties, and \$5,000 in investigative fees.

STATE ex rel. v. OMAHA'S BEST MEAT, L.L.C.

The Attorney General entered into a Consent Judgment with this Omaha, Nebraska-based company on April 1, 1999, for failing to comply with the door-to-door sales and price-per-pound requirements of the KCPA and misrepresenting the weight and usual price of meat. In the Consent Judgment, the company agreed to be enjoined from further violations, and pay \$1,250 in civil penalties and \$1,250 in investigative fees.

STATE ex rel. v. PARADE OF TOYS, INC., WONDERFUL WORLD OF TOYS, INC., BANDERO CIGAR COMPANY, SOMERSET INVESTMENT CORPORATION, ALHAMBRA INVESTMENT CORPORATION, MARKETING THE AMERICAS, INC., ROBERT BOUCKHOUT, PATSY LOU BOUCKHOUT, DENNIS VAUGHAN, et al.

The Attorney General filed a lawsuit in Johnson County District Court on April 17, 1997, against these business opportunity companies and their principals for deceptively advertising and selling toy and cigar distributorships to consumers throughout the United States. A jury verdict was obtained in August 1998 for more than \$12,000,000 in consumer restitution. On May 26, 1999, the Court entered judgment against the Defendants for more than \$15,000,000 in civil penalties and permanently enjoined the Defendants from conducting business in Kansas. The Attorney General negotiated a settlement with Defendant Patsy Bouckhout in 1999 to obtain the proceeds of a life insurance policy on Defendant Robert Bouckhout, paid by a viatical company, to be applied to consumer damages. Post-trial claims by multiple intervening private litigants against the sequestered property were litigated, negotiated, and ultimately settled in 1999, resulting in an Order for Pay-Out of Sequestered Funds and Release of Sequestration Orders on December 2, 1999. The Attorney General is attempting to sell the remaining personal property and vehicle before making a pro-rata distribution of proceeds to the consumers included in the judgment.

STATE ex rel. v. MICKEY J. PARKER, d/b/a MEGANET\$

The Attorney General entered into a Consent Judgment against this Shawnee, Kansas, individual on April 21, 1999, for misrepresentation of earnings capacity for independent representatives, failure to comply with the referral sales statute and misrepresenting himself as a C.P.A. In the Consent Judgment, the Defendant agreed to be enjoined from further violations, and pay \$750 in civil penalties and \$750 in investigative fees.

STATE ex rel. v. PAT POPP, d/b/a UNITED CREDIT RESOURCES

The Attorney General entered into a Consent Judgment against this Dallas, Texas, debt-consolidation business on February 19, 1999, for misrepresentations about its services and failure to comply with the credit services organizations provisions of the KCPA. In the Consent Judgment, the Defendants agreed to be enjoined from future violations, and pay \$1,500 in civil penalties and \$1,500 in investigative fees/expenses.

STATE ex rel. v. RANCHOUSE FOODS, INC.

The Attorney General filed a lawsuit on June 2, 1997, against this Texas company for violations of the Kansas Food Sales Act and the KCPA (committed via its transient-merchant employees). The company failed to comply with the door-to-door sales requirements, charged consumers sales tax which was not remitted to the Department of Revenue, and misrepresented the weight and usual price of meat. The Court granted the Attorney General's Motion for Summary Judgment on December 1, 1999, ordering the company to pay \$1,887 in restitution to consumers, \$480,000 in civil penalties, and \$5,000 in investigative fees.

STATE ex rel. v. CHARLES B. RITCHEY, a/k/a BART RITCHEY, individually, and d/b/a FINANCIAL DEVELOPMENT SYSTEMS

The Attorney General entered into a Consent Judgment with this Johnson County Defendant for operating an illegal referral sales scheme and pyramid scheme. The Defendant agreed to be enjoined from future violations, and pay \$367 in consumer restitution, \$100 in civil penalties, and \$100 in investigative fees.

In the Matter of RRV ENTERPRISES, INC., d/b/a CONSUMER ACCESS

The Attorney General entered into an Assurance of Voluntary Compliance with this company on February 17, 1999, for deceptive "cramming" (placing charges on consumers' phone bills without their authority or consent) practices. Kansas was part of a multistate group investigating this company. The company used sweepstakes drop boxes to collect purported authorizations for calling cards, then billed consumers a monthly fee on their phone bill for the calling card. In addition to injunctive relief and consumer restitution, Consumer Access paid \$35,000 to the Office of Attorney General for investigative fees/expenses.

STATE ex rel. v. REGINALD SCARBROUGH and AMERICAN CHAMBER FOR THE PEOPLE, INC.

The Attorney General filed a lawsuit on October 14, 1998, against Reginald Scarbrough and the American Chamber for the People, Inc., for violations of the KCPA in solicitation of memberships and for violations of the Charitable Solicitations and Organizations Act in solicitation of donations. The Defendants made misrepresentations to consumers and donors about the beneficiaries and uses of the Defendants' receipts, failed to comply with the door-to-door sales provisions, and failed to register and comply with the Charitable Solicitations and Organizations Act. The lawsuit is pending.

STATE ex rel. v. SEALY COMMUNICATIONS, INC., d/b/a POWER 2001

The Attorney General filed a lawsuit in October 1998 against this multi-level marketing company based in Dallas, Texas, for violations of the KCPA. These violations included misrepresentation of earnings capacity for independent representatives, failure to comply with the referral sales statute, failure to comply with door-to-door sales requirements, and charging (but failing to remit) sales tax. The lawsuit is pending.

STATE ex rel. v. LESLIE EDWIN SNELL, individually, and EDUCATION MANAGEMENT ASSOCIATES, LLC; ASSOC. OF 21ST CENTURY SCHOLARS; REGENCY UNIVERSITY; SNELL CORP. f/k/a SNELL & ASSOCIATES, INC.; ASSOC. OF THE MORNING STAR; CEDAR CREEK PUBLISHERS, LLC; MONTICELLO UNIVERSITY (OF SOUTH DAKOTA); THOMAS JEFFERSON INSTITUTE f/k/a THOMAS JEFFERSON MEMORIAL EDUCATION FOUNDATION; UNIVERSITY ASSOCIATE. LLC; MONTICELLO UNIVERSITY (OF HAWAII); BIG BEAR SYNDICATE, LLC, all d/b/a MONTICELLO UNIVERSITY d/b/a MONTICELLO UNIVERSITY OF HAWAII, d/b/a MONTICELLO INSTITUTE OF CANADA, d/b/a MONTICELLO UNIVERSITY OF CANADA d/b/a MONTICELLO UNIVERSITY OF SOUTH DAKOTA, d/b/a CHANCERY HOUSE, LTD., d/b/a INTERNATIONAL COMMISSION FOR EXCELLENCE IN HIGHER EDUCATION, d/b/a UNIVERSITY ADMINISTRATION CENTER, d/b/a JEFFERSON & MADISON SCHOOL OF LAW, d/b/a ALEXIS DE TOCQUEVILLE UNIVERSITY OF HAWAII, d/b/a UNIVERSITY OF THE AMERICAN REPUBLIC d/b/a EDUCATION MANAGEMENT ASSOCIATES d/b/a ASSOCIATION OF 21ST CENTURY SCHOLARS, d/b/a THOMAS JEFFERSON COMMONWEALTH UNIVERSITY OF AMERICA, d/b/a SEGMENTATION SERVICES, LLC d/b/a FALL RIVER CONSULTANTS f/d/b/a SNELL, MONROE, ALEXANDER AND KENT, f/d/b/a NATIONAL COUNCIL FOR THE ACCREDITATION OF PRIVATE UNIVERSITIES AND SCHOOLS OF LAW, INC., f/d/b/a SNELL & SNELL, LLC f/d/b/a THOMAS JEFFERSON UNIVERSITY, f/d/b/a JEFFERSON UNIVERSITY, and f/d/b/a MARS HILL UNIVERSITY

The Attorney General filed suit on August 11, 1999, against Leslie Edwin Snell and 12 corporations under his control, all doing business as Monticello University, and froze several of his bank accounts and other assets in Kansas. Allegations include numerous deceptive and unconscionable acts in connection with the school, including representations that it had authority to offer degrees when it did not, representations that it was accredited when it was not, and representations that it had faculty and staff when it did not. The case is currently in discovery and trial is scheduled for May 15-18, 2000.

STATE ex rel. v. THOUSAND ADVENTURES INC., et al.

The Attorney General entered into a Consent Judgment with Thousand Adventures of Kansas, Inc., through its bankruptcy trustee, on June 17, 1999, to resolve a lawsuit filed in Shawnee County District Court on January 16, 1996. In the lawsuit, the Attorney General alleged that the Defendants engaged in deceptive and unconscionable acts and practices to lure consumers into purchasing campground memberships costing thousands of dollars. The terms of the memberships and conditions of the campgrounds were continually misrepresented by representatives of Thousand Adventures. Thousand Adventures of Kansas, Inc., is currently in Chapter 7 bankruptcy in the United States Bankruptcy Court for the District of Kansas. The parent corporation, Thousand Adventures, Inc., of Nebraska, is currently in Chapter 7 bankruptcy in the Southern District of Iowa. The Consent Judgment provided that the membership contracts for Kansas members were fraudulent, deceptive and unconscionable, thereby releasing all Kansas members from any further obligations. In addition, the Consent Judgment provided the Attorney General with \$60,000 in refunds to distribute to a portion of the approximately 8,000 members who were required to pay dues in violation of the Temporary Injunction in effect while the case was pending.

STATE ex rel. v. RALPH TREMAIN d/b/a EVERLAST METAL BUILDINGS

The Attorney General entered into a Consent Judgment against this defunct company on June 9, 1999, for failure to provide the materials and construct metal buildings after taking money from four consumers. The Defendant agreed to be enjoined from future violations and pay \$6,300 in consumer damages.

STATE ex rel. v. U-HAUL INTERNATIONAL, INC., et al.

The Attorney General filed suit on January 14, 1999, against U-Haul International and U-Haul Co. of Kansas for violations of the KCPA relating to their deceptive "Guaranteed Reservation" program. Consumers were required to pay \$80 to "guarantee" a specific reservation. However, when consumers arrived to pick up the truck or trailer they were routinely told that the equipment was not there and that the reservation was not guaranteed. The case is pending.

***STATE ex rel. v. UNIVERSAL MARKETING SERVICES, INC.,
d/b/a NATIONAL CREDIT REGISTRATION BUREAU***

The Attorney General filed a lawsuit on December 14, 1999, against this credit card protection company based in Norman, Oklahoma, for violating several provisions of the telephone solicitation portion of the KCPA and failing to disclose to consumers the limitations upon liability for fraudulently-used credit cards afforded by federal law. The lawsuit is pending.

STATE ex rel. v. VACATION BREAK USA, INC.

On November 30, 1999, the Attorney General entered into a Consent Judgment with this Florida corporation for KCPA violations in connection with direct-mail travel solicitations sent to consumers in Kansas known as "Eagle Certificates." In the Consent Judgment, the Defendant agreed to be enjoined from future violations, pay \$10,000 in civil penalties and investigative fees, and pay refunds to consumers who filed complaints within a 30-day window following the filing of the Consent Judgment. The Attorney General issued a news release on December 2, 1999, notifying consumers of the 30-day window which closed on December 30, 1999. The Defendants have paid \$10,000 to date and also have refunded \$1,494 to consumers pursuant to negotiations, but outside the scope of the Consent Judgment.

STATE ex rel. v. WES-STATE MORTGAGE, INC.

The Attorney General filed a lawsuit on April 16, 1998, against this Eugene, Oregon-based company for failing to comply with the credit services organizations provisions of the KCPA and for misrepresenting its services. The company entered into a Consent Judgment on March 17, 1999, and agreed to be enjoined from future violations, and pay \$968 in restitution to consumers, \$3,500 in civil penalties, and \$3,500 in investigative fees.

In the Matter of WESTERN WIRELESS, et al.

Western Wireless entered into an Assurance of Voluntary Compliance on August 17, 1999, for failing to comply with the door-to-door requirements of the KCPA and for unconscionable contract provisions limiting the implied warranties of merchantability and fitness for a particular purpose relating to the sale of cellular phone service. Western Wireless agreed to refrain from future violations, and pay \$15,000 in civil penalties and investigative fees/expenses.

***STATE ex rel. v. WILLARD ENTERPRISES, INC.,
d/b/a COLORADO CHOICE MEAT COMPANY***

The Attorney General filed a lawsuit on October 22, 1998, against this Texas-based company for violations of the Kansas Food Sales Act and the KCPA. The company failed to comply with the door-to-door sales requirements, did not disclose price per pound, misrepresented the weight and price of meat, misrepresented the company's size and establishment in several major cities, and deceptively charged sales tax, but did not remit the same to the Kansas Department of Revenue. The Court entered an Order of Default Judgment against the Defendant on January 7, 1999, ordering the Defendant to pay \$40,000 in civil penalties and \$10,000 in investigative fees.

STATE ex rel. v. FRANKLIN D. WILLIAMS

The Attorney General filed a Motion for Order to Appear and Show Cause on April 13, 1999, seeking to enforce the judgment previously entered by the Kansas Supreme Court in *State ex rel. Stephan v. Williams*, 246 Kan. 681 (1990) relating to the Defendant's unauthorized practice of law. This was the second contempt motion filed and, after a hearing on the merits, the District Court revoked a previously suspended five-day jail sentence and ordered the Defendant to be taken into custody.

***STATE ex rel. v. WALTER ZITLOW, COMPLETE HOME SECURITY, INC.,
and GARY RICHARDSON d/b/a ALARM PROFESSIONAL SERVICES***

The Attorney General filed a lawsuit against these two businesses and a sales representative in Sedgwick County District Court on April 1, 1997, for deceptive and unconscionable acts and practices relating to the sale of home security systems. The Attorney General alleged that the Defendants made numerous misrepresentations through their sales representative, Walter Zitlow. In addition, the Defendants violated the three-day right-to-cancel and telephone solicitation provisions of the KCPA. The Attorney General sought enhanced penalties against the Defendants for targeting the elderly. The average age of consumers who filed complaints against the Defendants was 74 years old. On April 14, 1997, the Attorney General obtained a Temporary Injunction against Defendant Walter Zitlow which prohibited him from making any contact with consumers over the age of 60, unless he provided to our office, within 24 hours, the consumer's name, address and telephone number. The injunction also prohibited Defendant Zitlow from making representations regarding tax deductions and insurance reductions. The case was tried for three weeks in September-October 1998. The Court's decision is pending.

CIVIL ENFORCEMENT OF AGENCY ACTIONS

The Consumer Protection Division filed 35 civil enforcement of agency actions to compel compliance with subpoenas issued to suppliers:

American County Officers Association, Inc. (Houston, TX)
Bankcard Registry Services, Inc. (Scottsdale, AZ)
Consumer Credit Services, Inc. (New York, NY)
Credit Card Division (Charlotte, NC)
Credit Card Registry (Rouses Point, NY)
Credit Mart Financial (Hollywood, FL)
CRS Financial Systems (Pompano Beach, FL)
Donnell DeBham, d/b/a ISPY and d/b/a ISPY4U (Patterson, NJ)
Byron Egans, d/b/a True Expressions Photography (Kansas City, KS)
Fidelity Federal Bank FSB (Los Angeles, CA)
Financial Commodities Company, Inc. (Stamford, CT)
Great 18 Golf Systems (Newport Beach, CA)
I & F Agency (Torrance, CA)
International Credit Relief Systems (Los Angeles, CA)
International World of Trade (Virginia Beach, VA)
Huey Johnson d/b/a J.R. Sanders Forced Matrix Program (Dubach, LA)
Joseph Lee, d/b/a Cash-Free Grants (East Windsor, NJ)
Managing Credit Financial Services (Arlington, TX)
Michael P. Mason, d/b/a Budget Paving (Hutchinson, KS)
MBNA America, N. A. (Wilmington, DE)
James McClure & Michelle Delgado, d/b/a J & N Distributors (Virginia Beach, VA)
John Mesker & Patrick Mesker, d/b/a Rite-Way Paving (Independence, MO)
Patrick M. Mlot, Barrister & Solicitor (Ontario, Canada)
National Credit Service (Bridgewater, NY)
NewCom, Inc. (West Lake Village, CA)
Northeastern Credit (East Orange, NJ)
Prudent International Marketing, Inc., d/b/a Academic Financial Program (San Diego, CA)
J. R. Sanders (Monroe, LA)
Clayton Simpson, d/b/a Steakhouse Meats (Morehouse, MO)
Albert Virgil Snyder the Third, d/b/a Legal Rights & Counselors Fellowship (Murrieta, CA)
Tri-Star Financial Services (Broadview, IL)
Tucker-Winter Kennel (Welda, KS)
Upland Global Credit (New York, NY)
Clifton Wilkinson, d/b/a Alliance Trust (West Palm Beach, FL)
A. Patrick Wymes (Ontario, Canada)

CONCLUSION

The above enforcement actions taken by the Consumer Protection Division reflect the priority that the Office of the Attorney General has in protecting Kansas consumers from deceptive and unconscionable business practices. Strong, yet fair enforcement of consumer laws, combined with effective consumer education efforts, provide the level of protection to Kansas consumers mandated by the Kansas Legislature under the KCPA.